Carolina and Georgia; a receiver had been appointed in South Carolina, and the federal court in Georgia entertained a bill brought by a citizen of South Carolina to have the authority of the receiver extended over the property of the corporation in Georgia. Again, a corporation cannot, by consolidating with that of another State, transfer to the new body its liabilities to third persons. *Bruffet v. R. Co.*, 25 Ill. 353; *N. J., etc., R. Co. v. Strait*, 35 N. J. L. 322; 2 *Moran, Corp.*, 809, 954. Hence, upon such a liability, even after consolidation, a suit might be maintained by a citizen of one State against the corporation of the other in the federal courts.

There are three decisions not in accord with the principles set forth above. *Muller v. Dows, supra*, decided, contrary to the ruling of the principal case, that a citizen of one State could sue a corporation incorporated in that State and another, in the federal courts of that other; but this case is based on *Railway Co. v. Whitton, supra*, which was decided under an exception to the main rule, within which it does not itself fall; and it is not within the spirit of *Memphis, etc., R. Co. v. Alabama, supra. Nashua Corp. v. Lowell Corp., supra*, merits the sharp criticism passed upon it by Judge Lowell in the principal case; it is almost impossible to tell just what was held, beyond that, after a consolidating act had been passed by the legislatures of two States, one of the corporations was permitted to sue the other upon a contract made between them, in the federal courts. Perhaps as satisfactory an explanation as any is that the consolidating act was never accepted by the corporations. P. 371. And in *Union Trust Co. v. Rochester R. Co.*, 29 Fed. 609, while a citizen of one of the States in which a corporation was incorporated was permitted to sue the corporation in the federal courts of the other State, yet this decision was based wholly on *Railway Co. v. Whitton, supra*, and *Muller v. Dows, supra*, to which reference is made above.

Hence a consideration of all the cases dealing with this point leads us to the conclusion that the conflict among them is apparent rather than real, and that the courts are rapidly putting the law in this respect upon a firm basis.

THE EFFECT OF BANKRUPTCY PROCEEDINGS ON PROCEEDINGS COMMENCED IN THE STATE COURT.

It is well settled that the federal bankrupt law does not operate to nullify or supersede the insolvent laws of the several States, and that jurisdiction may be exercised under such laws until the jurisdiction of the federal court has been called into exercise. *Reed v. Taylor*, 32 Ia. 209. It is also settled that the power of Congress "to establish uniform laws on the subject of bankruptcies throughout the United States" is not exclusive, and State laws on that subject are valid where they do not conflict with acts of Congress relating thereto. *Ogden v. Saunders*, 12 Wheat. 213; *Appeal of Geery*, 43 Conn. 289. But when Congress acts upon the subject by a bankrupt law all State laws become suspended, as

far as all persons and cases within the purview of the national law are concerned. *In re Reynolds,* Fed. Cas. No. 11,723.

Congress recently passed an amendment to the Bankrupt Act of 1898, making it an act of bankruptcy committed by a corporation "When, because of insolvency, a receiver or trustee has been put in charge of its property under the laws of a State, or Territory, or of the United States." An interesting decision was recently handed down by the Supreme Court of New Jersey, *Singer v. National Bedstead Mfg. Co.,* 55 Atl. 868, in which it is held, where proceedings have been instituted in a State court under a statute entitling creditors and stockholders to the appointment of a receiver, that these proceedings cannot be superseded by a proceeding in the federal courts where no relief could be granted by the Bankrupt Act. The court recognizes the fact that the apparent effect of the amendment is to deprive the State court of jurisdiction in ordinary cases, but contends that under the circumstances of the case the federal court could not originally have assumed jurisdiction, nor can it supersede the State court in its jurisdiction. It bases its contention wholly upon the fact that the relief afforded by the State court could not be given by a bankruptcy court. The peculiarity of the State law is that, besides the usual suit for the sequestration of the assets of the insolvent corporation, the corporation may be placed under a disability by an injunction which will prevent it from exercising its franchises. In other words, "The Bankruptcy Act does not undertake to touch the life of the corporation, or its permanent capacity to exercise its franchises. It deals wholly with the assets of the corporation"; while afterwards, under the State statute, the corporation may be disabled and then dissolved. The question is certainly a difficult one, and will undoubtedly remain unsettled until it is finally decided by the Supreme Court of the United States. In the light of former decisions, it would seem as though, if the bankruptcy courts could afford at least a partial relief, they should supersede the State courts and administer the remedy as provided in the bankrupt act. *In re Railway Co.,* Fed. Cas. No. 5,786.

MARTIAL LAW.

During a period when strikes are prevalent and State interference is frequently required to protect public interests, the subject of Martial Law becomes of vital importance. It is ill-defined and seems to be a creature of necessity and relies thereon for its justification. Blackstone says: "Martial Law is, in fact, no law. It is an expedient resorted to in times of public danger, similar, in its effect, to the appointment of a dictator." Chief Justice Waite defines Martial Law as the law of military necessity in the actual presence of war. It would seem that the broader term, "public danger," used by Blackstone would be more applicable than the word "war." This law is administered by the general of the army, and, in fact, is his will. Of necessity it is arbitrary; but it must be obeyed. *United States v. Diekelman,* 92 U. S. 520, 526. But Martial